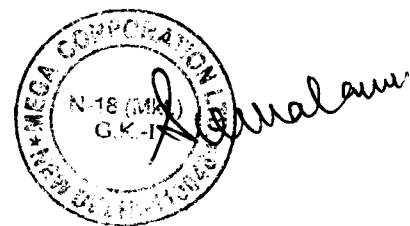




18th Annual Report 2002-2003



MEGA CORPORATION LIMITED

Regd. Office: N-18 (Market), Greater Kailash-I,
New Delhi - 110 048.

5. The explanatory statement pursuant to sec. 173(2) of the Companies Act, 1956 in respect of item numbers 6, 7 & 8 is annexed here to and forms part of the Notice.
6. All the documents referred to in the accompanying notice and explanatory statement are open for inspection by the members at the Registered Office of the Company during the working hours between 10.00 a.m. to 1.00 p.m. on all working days for a period of 21 days before the meeting.
7. Members may please note that as a matter of policy no gifts or company products shall be distributed at the meeting.
8. Additional information pursuant to Clause 49 of the listing Agreement with Stock Exchanges, on Directors recommended for appointment/re-appointment at the Annual General Meeting is given here-in-below:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO.6

The board of Directors of the Company in its meeting held on 13th March 2003, subject to the approval of the members and pursuant to all applicable provision of the Companies Act, 1956, has approved the reappointment of Mr. Surendra Chhalani, on the terms and conditions as set out herein below:

1. **Term:** 3 years with effect from 27.03.2003
 2. **Annual Package:** Rs.10000/- (Rupees ten thousand only) Salary p.m. **Salary Grade:** Rs.10000/- to Rs.20000/- Increments - As may be decided by the Board of Directors from time to time.
 3. **Perquisites:** In addition to the salary the following perquisites will be given subject to the condition that the value of all the perquisites taken together shall not exceed Rs. 1,20,000/- per annum.
 - (i) The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary.
 - (ii) Medical Reimbursement: Expenses incurred for treatment of self and family members, in accordance with the rules specified by the Company.
 - (iii) Leave Travel Concession: For self and family in accordance with the rules specified by the Company.
 - (iv) Personal Accident Insurance: in accordance with the rules specified by the Company, however Premium not to exceed Rs. 2000/- per annum.
 - (v) Other Allowance in accordance with the rules specified by the Company
- He shall also be eligible to the following perquisites which shall however not to be included in the computation of the ceiling on remuneration specified in Part II of schedule XIII.
- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will be as per the rules of the Company and to this extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (b) En-cashment of leave as per company rules.
- Provision of car for use on Company's business and telephone at residence not to be considered as perquisite."
- "Resolved further that the Board of Directors be and is hereby authorised to increase, vary or amend the remuneration including salary, commission, perquisites and benefits, minimum remuneration and other terms of his appointment from time to time as deemed expedient or necessary."

Minimum Remuneration:

Notwithstanding anything herein above, where in any financial year during the currency of his tenure as a whole-time director, the company has no profits or its profits are inadequate, the company will pay the aforesaid remuneration by way of Salary, perquisites as Minimum Remuneration to him.

Your directors recommend the passing of the resolution. Mr. Surendra Chhalani, is interested in the resolution. No other director is interested or concerned in the resolution.

ITEM No. 7

The Companies (Amendment) Act, 2000 has introduced a new Section 192A in the Companies Act, 1956 (Act) for passing the resolutions by postal ballot. As per sub-section (1) of Section 192A of the Act, a public listed company may and in the case of resolutions Relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company.

In order to bring the Articles of Association of the company in line with the said latest amendment in the Companies Act, 1956 it was thought fit to amend the Articles of Association of the Company to include the provisions of postal ballot. The amendment in the Articles would also be a step forward in furtherance of good corporate governance practices. The Board recommends the resolutions for approval of members. None of the Directors of the company is interested in this resolution.

ITEM No. 8

The Securities and Exchange Board of India (SEBI) has notified "Delisting of Securities Guidelines - 2003" on February 17, 2003 ("the Guidelines"). As per the Guidelines, a company may seek voluntary de-listing of its securities from one or more of the stock exchanges and further that an exit opportunity is not required to be provided in cases where such securities continue to be listed at a stock exchange having nationwide trading terminals i.e. The Stock Exchange, Mumbai or the National Stock Exchange, Or any other stock exchange(s) that may be specified by SEBI in this regard.

Presently the Equity Shares of the Company are listed at the following Stock Exchanges:

The Stock Exchange, Mumbai (BSE)

The Delhi Stock Exchange Association Ltd. (DSE)

In view of either no trading or very negligible trading in the equity shares of the Company at Delhi Stock Exchange it is proposed to de-list the Equity Shares of the Company from Delhi Stock Exchange. The company will continue to be listed on The Stock Exchange, Mumbai which is having nationwide trading terminals and has been so specified by SEBI. Consent of members is sought to de-list the equity shares of the company from Delhi Stock Exchange.

The Board recommends the Resolution for approval of members.

None of the Directors of the company are interested or concerned in the proposed Resolution except up to their shareholding.

Place : New Delhi

Date : August 13, 2003

By order of the Board of Directors

(KUNAL LALANI)
Director



NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of MEGA CORPORATION LIMITED will be held at Friends Club Limited, 17-A, Friends Colony (West), New Delhi - 110065 on Tuesday, the 30th September, 2003 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors there on.
2. To appoint a Director in place of Mr. S.L. Golchha, who retires by rotation, and being eligible, offers him self for re-appointment.
3. To appoint a Director in place of Mr. H.M. Lalani, who retires by rotation, and being eligible, offers him self for re-appointment.
4. To appoint a Director in place of Mr. Sachin Mehra, who retires by rotation, and being eligible, offers him self for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"Resolved that pursuant to Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and / or any notification which the Central Government may issue from time to time) in that behalf consent of the company be and is hereby accorded for the reappointment of Mr. Surendra Chhalani, Whole Time Director of the company with retrospective effect from 27.03.2003 till expiry of his present term of office until 27.03.2006 on the terms and condition as set out in the Explanatory Statement attached to this notice and that the Board of Directors and/or the Remuneration Committee be and are hereby authorized to alter and vary such terms and conditions in accordance with the laws in force from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of the term of office the Company has no profits or its profits are inadequate it may pay to Mr. Surendra Chhalani, remuneration by way of salary and perquisites as specified herein, subject to the approval of the Central Government or in the alternative within the limits laid down in Section 2 Part II of Schedule XIII of the Companies Act 1956, as in force from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board/Committee be and are hereby authorized to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

7. **POSTAL BALLOT**

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution "RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:

The following Article shall be added after Article 68 of the Articles of Association and shall be numbered as Article 68A.

- a) Notwithstanding anything contained elsewhere in these Articles, the Board of Directors may and in the case of resolutions relating to such business as the Central Government may, by notification under the provisions of section 192A of the Companies Act, 1956, declare to be conducted only by the postal ballot, shall, get the resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company as per procedures/rules/regulations laid in this regard."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution: "Resolved that subject to the provisions of the Securities Contracts (Regulation) Act, 1956, Listing Agreements with the Stock Exchanges and Guidelines/Rules of the Securities Exchange Board of India and all other applicable laws, rules, regulations and guidelines and subject further to such approvals and sanctions as may be required, the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) be and is hereby authorized to voluntarily de-list the Equity Shares of the Company from the Delhi Stock Exchange at one time or from time to time."

"Resolved further that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorized to do all such acts, deeds and thing as it may consider necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto"

Place : New Delhi
Date : August 13, 2003

By order of the Board of Directors

(KUNAL LALANI)
Director

NOTES FOR MEMBERS' ATTENTION :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. All the members/proxies should bring the attendance slip sent herewith duly filed for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2003 to 30th September, 2003 (both days inclusive).
4. Members are requested to bring to the meeting their copy of the Annual Report with them as the same will not supplied again as a measure of economy.



MEGA CORPORATION LIMITED

Regd. Office: N-18 (Mkt.), Greater Kailash-I,
New Delhi - 110048

PROXY FORM

DP ID _____ Client ID _____ Folio No _____

I/We _____ of _____

being a Member/Members of **MEGA CORPORATION LIMITED** hereby appoint
Mr./Ms. _____

of _____

as my/our proxy to attend and to vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2003 at 11.00 a.m. at Friends Club Limited, 17-A, Friends Colony (West), New Delhi-110065 and at any adjournment thereof.

Signed this _____ day of _____ 2003.



N.B.

- (1) The proxy need not be a member.
- (2) The proxy form duly signed across revenue stamp of one rupee should reach the Company's Regd. Office at least 48 hours before the time of the meeting.

Signature

(TEAR HERE)



MEGA CORPORATION LIMITED



ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DULY FILLED IN, TO BE HANDED OVER AT THE MEETING)

Name & Address of the Member (in Block Letters) _____

DP ID _____ Client ID _____ Folio No. _____

Name of Proxy(s) (in Block Letters) _____

No. of shares held _____

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held on Tuesday, the 30th day of September, 2003 at 11.00 a.m. at Friends Club Limited, 17-A, Friends Colony (West), New Delhi - 110065.

Members/Proxy Signature

(To be signed at the time of handing over this slip)

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BOARD OF DIRECTORS

Kunal Lalani
Chairman cum Managing Director

Hemanshu Mehta
Vice Chairman

H.M. Lalani
Director

N.K. Nayak
Director

AVM K.S. Venkataraman
Director

S.L. Golchha
Director

Kirti Azad
Director

Sachin Mehra
Director

Surendra Chhalani
Whole Time Director

Ankur Chadha
Company Secretary

Auditors
M/s Sipani & Associates, Delhi

Principal Bankers
ICICI Bank Ltd.,
CITI BANK N.A,

Registered Office
N-18 (Mkt.), Greater Kailash- I,
New Delhi - 110 048

Registrar (Electronic & Physical)
M/s Intime Spectrum Registry Ltd.
A-31, 3rd Floor,
Naraina Industrial Area,
Phase-I, Near PVR Naraina,
New Delhi - 110 028
Ph: 51410592, 93, 94
Fax: 51410591
Email: delhi@intimespectrum.com



DIRECTORS' REPORT

TO THE MEMBERS

We feel pleasure in presenting the Eighteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS	Year Ended 31.03.2003	(Rs. in lacs) Year Ended 31.03.2002
Sales & Services	587.74	553.00
Other Income	130.48	185.67
Total Income	718.22	738.67
Profit before Interest & Depreciation	109.93	126.28
Less: Interest	3.18	1.26
Depreciation	146.48	122.39
Profit before Taxation	(39.73)	2.63
Less: Provision for taxation	1.09	2.61
Deferred Tax	(5.65)	6.69
Profit/(Loss) after Taxation	(35.17)	(6.67)
Add : Amount brought forward from previous year	241.38	248.05
Balance carried forward	206.21	241.38

DIVIDEND

Your directors do not recommend any dividend on equity shares in view of the needs to conserve the resources of the company for its ongoing projects.

MATERIAL CHANGES

There is no material change since the date of the Balance Sheet and the date of this report affecting the affairs of the Company.

OPERATIONS

Radio Taxi Division

This division was established in 2000-2001 with the modest fleet of eleven taxies only. In the subsequent years, sound business practices and total commitments to quality service to the consumer has seen the brand grow and this division has performed well. In terms of brand image, Mega Cab and its 4-digit call number 1929 is widely perceived to be the most premium among all the radio taxi brands in the city.

During the financial year 2002-2003 brands like Jet Airways, Taj Palace Hotel, Maurya Sheraton Hotel, Marriott Hotel, Pepsi, Glaxo Smithkline, Indian Airlines have been included in the clientele of Mega Cab's services. Some of these companies have exclusive arrangements with Mega Cabs.

With a fleet of 86 cabs your company has achieved a turnover of Rs.209.59 lacs in the fiscal year 2002-2003. We expect this trend to continue during the current year. Your company is in the process to increase its fleet of cabs to 150 during the current fiscal year.

To achieve the target this division is in the process of tying up with some of the MNCs like Hindustan Lever, Nestle and Ranbaxy, as well as to start services from the International and Domestic Airports very soon. Apart from the above this division is also in the process of tying up with renowned Shopping Malls like Ansal's Plaza in Delhi and DLF City Center in Gurgaon, which could be the real potential for Radio Taxis.

Mega Star Studios:

Megastar Studios in the one year of its operations have grown from strength to strength having completed effects in more than 10 films ranging from something as simple as wire removal to complex live action & computer graphic based special effects.

Megastar Studios positions itself as more of a special effects design co. rather than just a studio facility, being involved in the film right from the script stage to pre shot visualization and the final post production and effects.



Turnover for the current year in media has been lower than last year but we hope that the next year should be much better than last year as continuously we are getting good clientele. We have completed the films projects namely **Pagalpan, Gangajal, Albela, Tum Ko Na Bhool Payenge, Hum Pyar Thumhi Se Kar Baithe, Hum Panchi Ek Dal Ke, Raja Bhalya, Maa Santoshi Maa** etc. We are also doing Film Scanning and Recording, Music Videos with Promos and Trailers, Reverse Telecine and Theatricals Trailers.

DIRECTORS:

Mr. Surendra Chhalani has been re-appointed as Whole Time Director by the Board w.e.f. 27.03.2003, for three years on the terms as laid down, subject to the approval of the Share holders. The Board recommends his appointment. Your approval is sought for his appointment vide resolution set out in item no. 6 of the accompanying notice.

Mr. S L Golchha, Mr. H M Lalani and Mr. Sachin Mehra Directors of the company retire by rotation and being eligible, offer themselves for reappointment,

AUDITORS :

M/s Sipani & Associates, Chartered Accountants, Auditors of the company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956. Your directors recommend their re-appointment.

AUDITORS' REPORT

Notes appearing in schedule of notes as referred by the auditors in their report are self explanatory.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE :

Foreign exchange earning during the year was Nil and outflow during the year was Rs.606273/-. Since your company does not own any manufacturing facility, the particulars pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors') Rules, 1988 are not required.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217(2AA) pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at the end of the Financial year and of the Profit of the Company for that period.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- that the Directors had prepared the annual accounts on going concern basis.

FIXED DEPOSITS :

The company has not accepted/renewed any fixed deposit during the year under review. The deposits outstanding as on 31st March, 2003 was Nil.

EMPLOYEES

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the effort and dedication of the employees in achieving consistent results during the year under review.

Place : New Delhi

Date : 30th June 2003

By order of the Board of Directors

(KUNAL LALANI)

Chairman cum Managing Director